

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1019

Citations Affected: IC 27-1-3-30; IC 27-1-3-31; IC 27-8-24.1; IC 27-13-7-18.

Synopsis: Insurance coverage. Requires an accident and sickness insurer and a health maintenance organization to provide to the department of insurance (department) certain information related to the implementation of a mandated benefit and requires the department to analyze the information and report the analysis results to the legislative council. Allows an accident and sickness insurer and a health maintenance organization to provide to the department certain information related to a mandated benefit proposal and requires the department to analyze the information and report the analysis results to the legislative council. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary medical food prescribed for treatment of an inherited metabolic disease for a covered individual or an enrollee. **(This conference committee report: Specifies that information provided by an accident and sickness insurer and a health maintenance organization to the department must be actuarial information and other information. Requires the department to report analysis results related to a mandated benefit proposal to the legislative council rather than the legislative committee considering the proposal. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary food rather than requiring an offer of coverage.)**

Effective: July 1, 2003; January 1, 2004; July 1, 2004.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1019 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 27-1-3-30 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2004]: **Sec. 30. (a) As used in this section, "accident and sickness**
- 5 **insurance policy" has the meaning set forth in IC 27-8-14.2-1.**
- 6 **(b) As used in this section, "health maintenance organization"**
- 7 **has the meaning set forth in IC 27-13-1-19.**
- 8 **(c) As used in this section, "mandated benefit" means certain**
- 9 **health coverage or an offering of certain health coverage that is**
- 10 **required under:**
- 11 **(1) an accident and sickness insurance policy; or**
- 12 **(2) a contract with a health maintenance organization.**
- 13 **(d) An insurer that issues an accident and sickness insurance**
- 14 **policy and a health maintenance organization, not later than**
- 15 **March 1 of each year, shall provide to the department, in a format**
- 16 **and medium prescribed by the department, actuarial information**
- 17 **and other information related to the implementation of a mandated**
- 18 **benefit, including information reflecting:**
- 19 **(1) specific short term and long term financial costs, cost**
- 20 **savings, and benefits to the insurer, health maintenance**
- 21 **organization, consumers, or other parties resulting from**
- 22 **implementation of the mandated benefit;**

(2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the mandated benefit, including cost savings and health benefits to consumers, and the effect of the mandated benefit on:

(A) premium rates;

(B) the number of individuals covered under a policy or contract; and

(C) costs related to other health care services covered under a policy or contract that may be affected by the implementation of the mandated benefit;

before and after implementation of the mandate; and

(3) other information requested by the department.

(e) The department shall:

(1) analyze the information provided under subsection (d), including an analysis of:

(A) possible reasons for changes in the information with implementation of a mandated benefit; and

(B) other analyses requested by the legislative council; and

(2) not later than June 30 of each year, report the results of the analysis to the legislative council.

(f) Information provided to the department under this section is confidential. The report to the legislative council under subsection (e) may not identify an individual insurer or health maintenance organization.

SECTION 2. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 31. (a) As used in this section, "accident and sickness insurance policy" has the meaning set forth in IC 27-8-14.2-1.

(b) As used in this section, "health maintenance organization" has the meaning set forth in IC 27-13-1-19.

(c) As used in this section, "mandated benefit proposal" means a bill or resolution pending before the general assembly that, if enacted, would require certain health coverage or an offering of certain health coverage under:

(1) an accident and sickness insurance policy; or

(2) a contract with a health maintenance organization.

(d) An insurer that issues an accident and sickness insurance policy and a health maintenance organization may provide to the department, in a format and medium prescribed by the department, actuarial information and other information related to a mandated benefit proposal, including information reflecting:

(1) specific short term and long term financial costs, cost savings, and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit; and

(2) other costs and benefits to the insurer, health maintenance organization, consumers, or other parties resulting from implementation of the proposed mandated benefit, including cost savings and health benefits to consumers, and the effect of the proposed mandated benefit on:

1 (A) premium rates;

2 (B) the number of individuals covered under a policy or
3 contract; and

4 (C) costs related to other health care services covered under
5 a policy or contract that may be affected by the
6 implementation of the proposed mandated benefit;

7 before and after implementation of the proposed mandated
8 benefit.

9 (e) Upon receipt of the information described in subsection (d),
10 the department shall:

11 (1) analyze the information; and

12 (2) report the results of the analysis to the legislative council.

13 (f) Information provided to the department under this section is
14 confidential. The report to the legislative council under subsection
15 (e) may not identify an individual insurer or health maintenance
16 organization.

17 SECTION 3. IC 27-8-24.1 IS ADDED TO THE INDIANA CODE
18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
19 JANUARY 1, 2004]:

20 **Chapter 24.1. Coverage for Treatment of Inherited Metabolic**
21 **Disease**

22 **Sec. 1.** As used in this chapter, "accident and sickness insurance
23 policy" has the meaning set forth in IC 27-8-5-27(a).

24 **Sec. 2.** As used in this chapter, "covered individual" means an
25 individual who is entitled to coverage under an accident and
26 sickness insurance policy.

27 **Sec. 3.** As used in this chapter, "inherited metabolic disease"
28 means a disease:

29 (1) caused by inborn errors of amino acid, organic acid, or
30 urea cycle metabolism; and

31 (2) treatable by the dietary restriction of one (1) or more amino
32 acids.

33 **Sec. 4.** As used in this chapter, "medical food" means a formula
34 that is:

35 (1) intended for the dietary treatment of a disease or condition
36 for which nutritional requirements are established by medical
37 evaluation; and

38 (2) formulated to be consumed or administered enterally under
39 the direction of a physician.

40 **Sec. 5.** An accident and sickness insurance policy must provide
41 coverage for medical food that is:

42 (1) medically necessary; and

43 (2) prescribed by a covered individual's treating physician for
44 treatment of the covered individual's inherited metabolic
45 disease.

46 **Sec. 6.** The coverage that must be provided under this chapter
47 shall not be subject to dollar limits, coinsurance, or deductibles
48 that are less favorable to a covered individual than the dollar
49 limits, coinsurance, or deductibles that apply to coverage for:

50 (1) prescription drugs generally under the accident and
51 sickness insurance policy, if prescription drugs are covered

1 under the accident and sickness insurance policy; or
 2 (2) physical illness generally under the accident and sickness
 3 insurance policy, if prescription drugs are not covered under
 4 the accident and sickness insurance policy.

5 SECTION 4. IC 27-13-7-18 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 7 JANUARY 1, 2004]: Sec. 18. (a) As used in this section, "inherited
 8 metabolic disease" means a disease:

9 (1) caused by inborn errors of amino acid, organic acid, or
 10 urea cycle metabolism; and

11 (2) treatable by the dietary restriction of one (1) or more amino
 12 acids.

13 (b) As used in this section, "medical food" means a formula that
 14 is:

15 (1) intended for the dietary treatment of a disease or condition
 16 for which nutritional requirements are established by medical
 17 evaluation; and

18 (2) formulated to be consumed or administered enterally under
 19 the direction of a physician.

20 (c) A group health maintenance organization contract that
 21 provides coverage for basic health care services must provide
 22 coverage for medical food that is:

23 (1) medically necessary; and

24 (2) prescribed for an enrollee by the enrollee's treating
 25 physician for treatment of the enrollee's inherited metabolic
 26 disease.

27 (d) The coverage that must be provided under this section shall
 28 not be subject to dollar limits, copayments, or deductibles that are
 29 less favorable to an enrollee than the dollar limits, copayments, or
 30 deductibles that apply to coverage for:

31 (1) prescription drugs generally under the group contract, if
 32 prescription drugs are covered under the group contract; or

33 (2) physical illness generally under the group contract, if
 34 prescription drugs are not covered under the group contract.

35 SECTION 5. [EFFECTIVE JULY 1, 2003] (a) IC 27-8-24.1, as
 36 added by this act, applies to an accident and sickness insurance
 37 policy that is issued, delivered, amended, or renewed after
 38 December 31, 2003.

39 (b) IC 27-13-7-18, as added by this act, applies to a health
 40 maintenance organization contract that is entered into, delivered,
 41 amended, or renewed after December 31, 2003.

(Reference is to EHB 1019 as reprinted April 9, 2003.)

Conference Committee Report
on
Engrossed House Bill 1019

Signed by:

Representative Frenz
Chairperson

Senator Miller

Representative Ripley

Senator Breaux

House Conferees

Senate Conferees